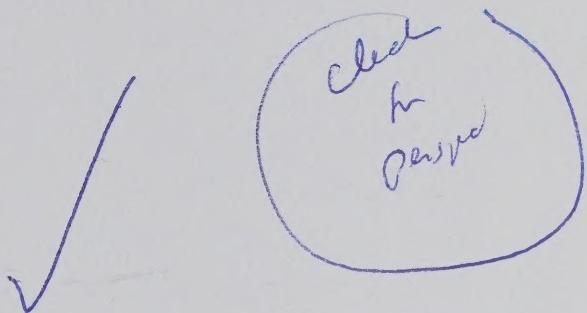


Inglis



Directors

Donald S. Anderson
Herbert K. Anspach
Charles-É. Bélanger
Sidney L. Boyar
Air Marshal Hugh Campbell, C.B.E., C.D.
James D. Irving
Conde G. Maiden
Douglas J. Peacher
R. Barrett Simpson
Humphrey B. Style
Robert B. Willemin

Bankers

The Royal Bank of Canada
20 King Street West,
Toronto, Canada M5H 1C4

Auditors

Clarkson, Gordon & Co.
P.O. Box 251,
Toronto-Dominion Centre,
Toronto, Canada M5K 1J7

Transfer Agent and Registrar

Canada Permanent Trust Company
20 Eglinton Avenue West,
Toronto, Canada M4R 2E2
600 Dorchester Boulevard West,
Montreal, Canada H3B 1N6

Stock Exchanges

Common Stock of Inglis Limited
is listed on The Toronto Stock Exchange
and the Montreal Stock Exchange.

The exchange symbol for Inglis Limited is ING.

Officers

Robert B. Willemin
Chairman of the Board
Conde G. Maiden
President and Chief Executive Officer



Herbert K. Anspach
Executive Vice President

R. Barrett Simpson
Vice President – Finance,
Treasurer and Secretary

Gordon I. Forsell
Vice President –
Inglis and Whirlpool Sales

Arthur E. Franzen
Vice President –
Sales to Simpson-Sears

Bruce H. Gilbert
Vice President –
Manufacturing

Peter A. Ketchum
Vice President –
Physical Distribution

Edward J. Von Arb
Vice President –
Engineering

Edward E. McCormack
Comptroller and Assistant Treasurer

Donald H. Hobbs
Assistant Secretary

Financial Highlights

	1974	1973
Sales	\$87,567,000	\$92,027,000
Net earnings	\$ 2,039,000	\$ 3,660,000
Per share	\$ 1.55	\$ 2.78
Dividends paid	\$ 461,000	\$ 198,000
Per share	\$.35	\$.15
Working Capital	\$16,934,000	\$15,293,000
Shareholders' equity	\$21,794,000	\$20,216,000
Per share	\$ 16.56	\$ 15.36

INGLIS LIMITED

14 Strachan Avenue, Toronto, Canada M6K 1W6

Report of the Board of Directors

influence of starts?

To the Shareholders:

Your Directors present herewith the Annual Report of your Company for the year ended December 31, 1974.

Net sales for the year ended December 31, 1974 amounted to \$87,567,000 compared to net sales of \$92,027,000 for the year 1973, a decrease of about 5%. Net earnings for 1974 were \$2,039,000 or \$1.55 per share as compared to net earnings of \$3,660,000 or \$2.78 per share for 1973, a decrease of about 44%.

This led to company

As reported during the year, production at the Company's laundry products manufacturing plant in Toronto was shut down by a nineteen week strike from April 5, 1974 to August 20, 1974. In order to satisfy our customers' requirements for automatic washers and dryers, quantities of such products were imported from the United States. Sale of these imported products, instead of products that would have been manufactured by the Company but for the strike, adversely affected 1974 total sales volume and will continue to be a depressant on the Company's sales until inventories of imported products have moved through the distribution system. Earnings were adversely affected in 1974 by lower operating margins on sales of imported laundry products, continuing fixed charges incurred during the strike and reduced production levels since the strike.

here Investment in inventories was unusually high at year end 1974 as compared to year end 1973. This increase was due to the following: the impact of increases during 1974 in costs of materials, components and labour that was reflected at year end in valuation of inventories; build-up of materials and purchased parts not used during the strike or subsequently due to decreases in planned production; a high finished goods inventory because of quantities of imported laundry products still on hand; and a drop in sales of major appliances both industry wide and for Inglis in the fourth quarter.

The current demand for major home appliances continues at a relatively low level and the Company's operations have been curtailed in line with the reduced demand. The Company is well structured to take maximum advantage of a strengthening in consumer demand which is expected to occur later in the year.

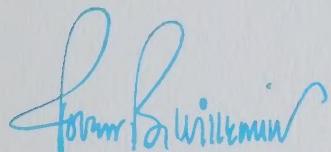
Your Company suffered a great loss in the death, during the year, of Mr. John Boyd, who had been a Director since 1947, and in the death of Mr. J. Geoffrey Notman, who had been a Director since 1957. Both of these gentlemen were devoted to the Company and contributed greatly to its progress.

Mr. Donald S. Anderson, Chairman of Canada Realties Limited, accepted an appointment to the Board succeeding Mr. Notman. Mr. Anderson has an outstanding record of business accomplishments and we are pleased he has joined the Board.

In December, 1974 Mr. Herbert K. Anspach was elected Executive Vice President of the Company and appointed to the Board to succeed Mr. Robert C. Upton. We will miss the benefit of Mr. Upton's knowledge of the industry and perceptive counsel.

Your Directors wish to record their appreciation of the loyalty and support of employees whose efforts contributed to results of operations in a difficult year.

On behalf of the Board,

A handwritten signature in blue ink, appearing to read "Robert B. Willemin".

Robert B. Willemin
Chairman of the Board

A handwritten signature in blue ink, appearing to read "Conde G. Maiden".

Conde G. Maiden
President and Chief Executive Officer

February 26, 1975

Balance Sheet

December 31, 1974 (with comparative figures for 1973)

INGLIS LIMITED

(Incorporated under the laws of Ontario)

Assets	1974	1973
Current Assets		
Accounts receivable	\$10,875,000	\$11,878,000
Inventories (note 1) –		
Finished products	25,938,000	11,264,000
Materials and work in process	15,045,000	8,572,000
	40,983,000	19,836,000
Prepaid expenses	409,000	445,000
Total current assets	52,267,000	32,159,000
Fixed Assets (note 1)		
Land	424,000	424,000
Buildings	6,565,000	6,359,000
Equipment	12,388,000	11,201,000
	19,377,000	17,984,000
Less accumulated depreciation	8,645,000	7,698,000
	10,732,000	10,286,000
Unamortized tooling costs	1,178,000	1,137,000
	11,910,000	11,423,000
	\$64,177,000	\$43,582,000

On behalf of the Board:

Robert B. Willemin, Director
Conde G. Maiden, Director

Liabilities	1974	1973
Current Liabilities		
Bank advances (note 2)	\$16,974,000	\$4,120,000
Accounts payable, warranties and accrued charges	16,066,000	10,015,000
Income and other taxes payable	1,278,000	1,688,000
Deferred service contract revenue (note 1)	1,015,000	1,043,000
Total current liabilities	35,333,000	16,866,000
Provision for warranty (note 1)	1,350,000	1,300,000
Deferred income taxes (note 1)	1,700,000	1,200,000
Long-term debt (note 3)	4,000,000	4,000,000

Shareholders' Equity

Capital—

Authorized		
1,500,000 shares of no par value		
Issued		
1,315,831 shares	11,814,000	11,814,000
Retained earnings	9,980,000	8,402,000
	21,794,000	20,216,000
	\$64,177,000	\$43,582,000

(See accompanying notes to financial statements)

Statement of Earnings

INGLIS LIMITED

For the year ended December 31, 1974 (with comparative figures for 1973)

	1974	1973
Sales	\$87,567,000	\$92,027,000
Earnings on operations before the undernoted	\$ 6,357,000	\$ 8,223,000
Less:		
Depreciation and amortization	1,360,000	1,144,000
Interest on long-term debt.	450,000	310,000
Other interest expense	870,000	347,000
	2,680,000	1,801,000
Earnings before income taxes	3,677,000	6,422,000
Income taxes (note 1)	1,638,000	2,762,000
Net earnings for the year	\$ 2,039,000	\$ 3,660,000
Earnings per share	\$1.55	\$2.78

Statement of Retained Earnings

INGLIS LIMITED

For the year ended December 31, 1974 (with comparative figures for 1973)

	1974	1973
Retained earnings at beginning of year	\$ 8,402,000	\$ 4,940,000
Net earnings for the year	2,039,000	3,660,000
	10,441,000	8,600,000
Dividends	461,000	198,000
Retained earnings at end of year	\$ 9,980,000	\$ 8,402,000

(See accompanying notes to financial statements)

Statement of Changes in Financial Position

INGLIS LIMITED

For the year ended December 31, 1974 (with comparative figures for 1973)

	1974	1973
Working capital at beginning of year	\$15,293,000	\$14,006,000
Source of funds:		
Operations –		
Net earnings for the year	2,039,000	3,660,000
Depreciation and amortization	1,360,000	1,144,000
Deferred income taxes	500,000	746,000
Increase in long-term warranty provision	50,000	200,000
	3,949,000	5,750,000
Term loan		4,000,000
	3,949,000	9,750,000
Application of funds:		
Redemption of debenture		4,000,000
Additions to fixed assets (net)	1,847,000	4,265,000
Dividends	461,000	198,000
	2,308,000	8,463,000
Increase in working capital	1,641,000	1,287,000
Working capital at end of year	\$16,934,000	\$15,293,000

(See accompanying notes to financial statements)

Notes to Financial Statements

INGLIS LIMITED

December 31, 1974

1. Summary of principal accounting policies

Inventories—

Inventories are valued at the lower of cost on a first-in, first-out basis or net realizable value.

Fixed assets—

Land, buildings and equipment are stated at cost. Depreciation is based on the estimated average useful lives of the various classes of assets, calculated on the straight-line method. Upon sale or retirement, the cost of the asset and the related accumulated depreciation are removed from the accounts and any gain or loss thereon is taken into earnings.

Major tooling costs are amortized over one to five years based on the estimated useful life of the tool.

Service contract revenue—

Service contract revenue is deferred on receipt and amortized over the one year term of the service contract.

Product warranty—

The company recognizes the estimated cost of warranty obligations to the consumers of its products at the time the product is sold.

Income taxes—

As a result of differences in the timing of expenses for tax and book purposes, income taxes currently payable differ from the provision for taxes shown on the statement of earnings. The income tax effect of this difference is included in deferred income taxes.

2. Bank advances

Accounts receivable and inventories have been pledged to the bank as security for the bank advances and term loan.

3. Long-term debt

The term loan of \$4,000,000 is due on June 29, 1976 with interest at .5% above the bank prime rate. At December 31, 1974 the effective rate was 11.5%.

4. Directors' and senior officers' remuneration

The aggregate direct remuneration for the year paid or payable to directors and senior officers amounted to \$377,000.

5. Commitments

Based on the latest actuarial valuation of the company's pension and retirement plans, it is estimated that the unfunded obligation of the company for pension benefits in respect of service by employees to December 31, 1974 is approximately \$2,900,000. The increase of \$1,080,000 over the previous year's estimate is mainly due to improved benefits. The obligation will be funded and absorbed against income by fifteen equal annual payments to the Trustee.

Auditors' Report

To the Shareholders of Inglis Limited:

We have examined the balance sheet of Inglis Limited as at December 31, 1974 and the statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1974 and the results of its operations and the changes in its financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Clarkson, Gordon & Co.
Chartered Accountants

Toronto, Canada January 28, 1975.

Five Year Statistical Review 1970–1974

(In Thousands of Dollars)

INGLIS LIMITED

	1974	1973	1972	1971	1970
Operations					
Sales	\$87,567	\$92,027	\$78,074	\$65,137	\$49,850
Earnings (loss) before income taxes	\$ 3,677	\$ 6,422	\$ 5,130	\$ 1,756	\$ (834)
Per cent to sales	4.2%	7.0%	6.6%	2.7%	(1.7)%
Net earnings (loss) before extraordinary items*	\$ 2,039	\$ 3,660	\$ 2,616	\$ 858	\$ (640)
Per cent to sales	2.3%	4.0%	3.4%	1.3%	(1.3)%
Per share	\$ 1.55	\$ 2.78	\$ 1.99	\$.65	\$ (.49)
Net earnings (loss) for the year	\$ 2,039	\$ 3,660	\$ 2,616	\$ 1,327	\$ (640)
Per cent to sales	2.3%	4.0%	3.4%	2.0%	(1.3)%
Per share	\$ 1.55	\$ 2.78	\$ 1.99	\$ 1.01	\$ (.49)
Earned on shareholders' equity	9.7%	19.8%	16.9%	9.8%	(4.9)%
Dividends paid	\$ 461	\$ 198	--	--	--
Per share	\$.35	\$.15	--	--	--
Depreciation on buildings and equipment	\$ 985	\$ 744	\$ 719	\$ 744	\$ 759
Amortization of tooling	\$ 375	\$ 400	\$ 433	\$ 642	\$ 593
Amortization of preproduction expenses	--	--	\$ 451	\$ 452	\$ 452
Additions to buildings and equipment – net	\$ 1,431	\$ 3,197	\$ 1,303	\$ 430	\$ 267
Additions to tooling	\$ 416	\$ 1,068	\$ 390	\$ 310	\$ 235
Balance Sheet					
Working capital	\$16,934	\$15,293	\$14,006	\$10,654	\$ 7,800
Ratio of current assets to current liabilities	1.48:1	1.91:1	1.92:1	1.72:1	1.76:1
Land, buildings and equipment – net	\$10,732	\$10,286	\$ 7,833	\$ 7,249	\$ 7,563
Unamortized tooling	\$ 1,178	\$ 1,137	\$ 469	\$ 512	\$ 845
Long-term debt	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000
Shareholders' equity –					
Capital	\$11,814	\$11,814	\$11,814	\$11,814	\$11,814
Retained earnings	\$ 9,980	\$ 8,402	\$ 4,940	\$ 2,324	\$ 997
	\$21,794	\$20,216	\$16,754	\$14,138	\$12,811
Number of shares outstanding (in thousands)	1,316	1,316	1,316	1,316	1,316
Book value per share	\$ 16.56	\$ 15.36	\$ 12.73	\$ 10.74	\$ 9.73
Non-Financial					
Number of employees (year end)	2,225	2,173	1,985	1,904	1,551
Number of shareholders (year end)	1,013	1,072	1,145	1,286	1,446

*Extraordinary items were income tax credits in 1971.

In 1972 the basis of accounting for service contract revenue was changed to defer the revenue over the life of the service contract; this change has been given retroactive effect and the figures for the years 1970–1971 have been restated accordingly.

At Inglis, we strive constantly to increase customer satisfaction by building superior quality products that meet the changing needs and taste of more and more discerning Canadian consumers.

Innovative engineering in product safety and design, the continual up-dating of improved manufacturing processes and the selection of quality materials and components are emphasized to maintain increased consumer acceptance of Inglis appliances.

A full line of both Inglis and Whirlpool brand major appliances are marketed across the country through a network of over 2500 independent dealers and distributors.

The Company has a sincere interest in maintaining dependable service facilities to meet consumer needs after the actual sale of an appliance. Service branches in the most highly populated areas plus a network of more than 260 authorized service depots ensure prompt and efficient service to all users of Inglis appliances.

The improved design of Inglis refrigerators introduced in 1974 features attractive styling and larger freezer capacity. Pictured here are some of the many models produced at the Stoney Creek Plant.





Inglis' reputation for quality appliances has been built over the years on its outstanding automatic washers and dryers which continue to lead the Canadian industry. The same exacting standards of quality are applied in the manufacture of all our products.

Shown below are the fully automatic Royal Washer and Dryer – the top of the Inglis line.

Shown at the right is the Inglis Royal 100 Dishwasher with exclusive features such as sequential lights to show progress of the wash cycle.



The complete Inglis product line is listed below:

- automatic washers
- automatic dryers
- refrigerators
- ranges
- dishwashers
- Trash Masher compactors
- water heaters
- dehumidifiers
- fuel pumps
- wringer washers
- twin tub washers
- coin operated laundry equipment
- commercial icemakers

INGLIS LIMITED
14 Strachan Avenue, Toronto, Canada M6K 1W6